



**TESTIMONY
OF
CONNECTICUT HOSPITAL ASSOCIATION
HUMAN SERVICES COMMITTEE
Thursday, February 6, 2003**

**SB 17, An Act Concerning State Participation With A Nonprofit
Pharmacy Benefits Manager**

**SB 520, An Act Concerning The Establishment Of A Purchasing Pool For
The Procurement Of Prescription Drugs**

SB 743, An Act Concerning Lower Prescription Drug Costs For State Residents

**HB 5469, An Act Concerning The Establishment Of The Affordable Prescription
Drug Board**

HB 6123, An Act Concerning Pharmaceutical Purchasing

The Connecticut Hospital Association (CHA) appreciates the opportunity to submit testimony on the above titled bills. Connecticut hospitals are facing a series of daunting fiscal challenges, including inadequate Medicare and Medicaid reimbursement, skyrocketing medical liability premiums, a severe shortage of healthcare workers, a behavioral health system in crisis, escalating pharmaceutical costs, and continued blood and blood product price increases. In addition, in this post 9/11 era in which we must be prepared for what used to be unthinkable, we continue to expend our limited resources on disaster and emergency planning at unprecedented levels.

Prescription drug costs continue to be the fastest growing area of healthcare spending in the United States. According to the American Hospital Association, prescription drug costs rose 17.3 percent in 2000 alone. In 2001, Connecticut hospitals expanded approximately \$155 million on pharmaceuticals

CHA commends the Human Services Committee for studying various ways of reducing the states pharmaceutical costs, including a nonprofit pharmacy benefits manager, a purchasing pool and additional supplemental Medicaid rebates. CHA respectfully requests that the Committee expand its inquiry into these areas to determine whether there are ways the state can assist hospitals in reducing the skyrocketing costs of their pharmaceutical expenditures. These would help to ensure that hospitals are able to continue to serve all patients, regardless of their ability to pay, twenty-four hours a day seven days a week.

Thank you for your consideration of our position.

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